

**INDUSTRIAL ASSISTANCE FUND
AMENDMENTS - RURAL FAST TRACK
PROGRAM**

2007 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: John W. Hickman

House Sponsor: Steven R. Mascaro

Cosponsors: Dan R. Eastman Peter C. Knudson

LONG TITLE

General Description:

This bill modifies provisions of the Industrial Assistance Fund by creating a Rural Fast Track Program as a component of the fund to help provide an efficient way for small companies in rural Utah to receive incentives for creating high paying jobs in the rural areas of the state and to further promote business and economic development in rural Utah.

Highlighted Provisions:

This bill:

- creates the Rural Fast Track Program as a funded component of the economically disadvantaged rural areas designation within the Industrial Assistance Fund to provide a financial incentive for small companies in rural Utah that create high paying jobs;
- provides that 20% of the money in the Industrial Assistance Fund shall be used to fund the program and for a reallocation of money not used in the program by the end of the third quarter of any given fiscal year;
- provides for an application procedure, qualification criteria, and an approval process;
- provides criteria on which awards are based for the creation of new incremental high paying jobs in rural Utah; and

▸ provides for quarterly reports to the Board of Business and Economic Development and annual reports to the Legislature on awards made under the program.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

63-38f-903.5, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **63-38f-903.5** is enacted to read:

63-38f-903.5. Rural Fast Track Program -- Creation -- Funding -- Qualifications for program participation -- Awards -- Reports.

(1) (a) There is created the Rural Fast Track Program, hereafter referred to in this section as "the program."

(b) The program is a funded component of the economically disadvantaged rural areas designation in Subsection 63-38f-903(1)(a).

(2) The purpose of the program is to provide an efficient way for small companies in rural Utah to receive incentives for creating high paying jobs in the rural areas of the state and to further promote business and economic development in rural Utah.

(3) (a) Twenty percent of the money in the Industrial Assistance Fund at the beginning of each fiscal year shall be used to fund the program.

(b) The 20% referred to in Subsection (3)(a) is not in addition to but is a part of the up to 50% designation for economically disadvantaged rural areas referred to in Subsection 63-38f-903(1)(a).

(c) If any of the 20% allocation referred to in Subsection (3)(a) has not been used in the program by the end of the third quarter of each fiscal year, that money may be used for any

57 other loan, grant, or assistance program offered through the Industrial Assistance Fund during
58 the fiscal year.

59 (4) (a) To qualify for participation in the program a company shall:

60 (i) complete and file with the office an application for participation in the program,
61 signed by an officer of the company;

62 (ii) be located and conduct its business operations in a county in the state that has:

63 (A) a population of less than 30,000; and

64 (B) an average household income of less than \$60,000 as reflected in the most recently
65 available data collected and reported by the United States Census Bureau;

66 (iii) have been in business in the state for at least two years; and

67 (iv) have at least two employees.

68 (b) (i) Office staff shall verify an applicant's qualifications under Subsection (4)(a).

69 (ii) The application must be approved by the administrator in order for a company to
70 receive an incentive or other assistance under this section.

71 (c) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
72 administrator may make rules governing:

73 (i) the content of the application form referred to in Subsection (4)(a)(i);

74 (ii) who qualifies as an employee under Subsection (4)(a)(iv); and

75 (iii) the verification procedure referred to in Subsection (4)(b).

76 (5) (a) The administrator shall make incentive cash awards to small companies under
77 this section based on the following criteria:

78 (i) \$1,000 for each new incremental job that pays over 110% of the county's average
79 annual wage;

80 (ii) \$1,250 for each incremental job that pays over 115% of the county's average annual
81 wage; and

82 (iii) \$1,500 for each incremental job that pays over 125% of the county's average annual
83 wage.

84 (b) The administrator shall make a cash award under Subsection (5)(a) when a new

85 incremental job has been in place for at least 12 months.

86 (c) The creation of a new incremental job by a company is based on the number of
87 employees at the company during the previous 24 months.

88 (d) (i) A small company may also apply for grants, loans, or other financial assistance
89 under the program to help develop its business in rural Utah and may receive up to \$50,000
90 under the program if approved by the administrator.

91 (ii) The board must approve a distribution that exceeds the \$50,000 cap under
92 Subsection (5)(d)(i).

93 (6) The administrator shall make a quarterly report to the board of the awards made by
94 the administrator under this section and an annual report to the Legislative Workforce Services
95 and Community and Economic Development Interim Committee as to the awards and their
96 impact on economic development in the state's rural areas.